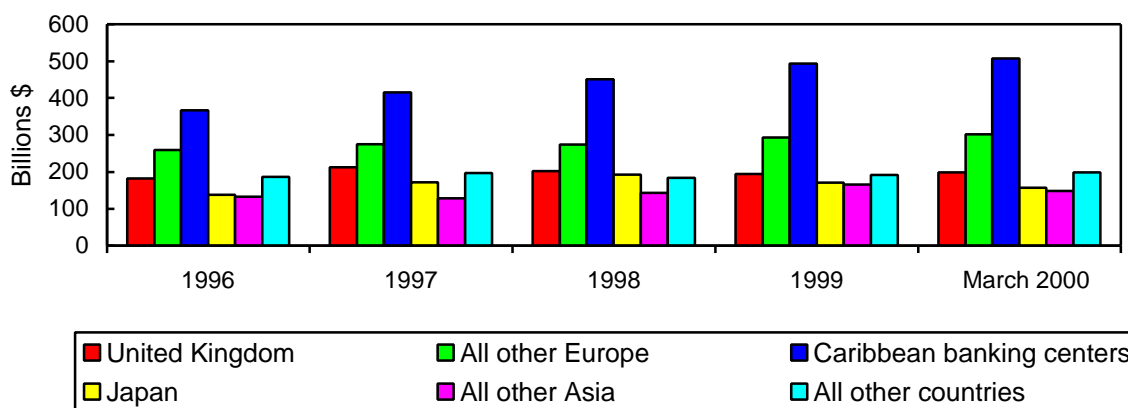


Chart CM-A -- U.S. Liabilities to Foreigners Reported by U.S. Banks, Brokers and Dealers with Respect to Selected Countries



(In millions of dollars. Source: Treasury International Capital Reporting System)

Country	1996	1997	1998	1999	March 2000
United Kingdom.....	182,035	212,790	202,280	194,176	198,723
All other Europe.....	259,163	274,671	274,354	293,223	301,954
Caribbean banking ctrs\1.....	366,503	414,642	451,575	493,844	507,714
Japan.....	138,148	172,352	193,202	171,277	157,276
All other Asia.....	133,172	128,650	143,224	165,567	148,498
Subtotal.....	1,079,021	1,203,105	1,264,635	1,318,087	1,314,165
All other countries.....	186,534	197,446	184,327	192,210	198,544
Grand total.....	1,265,555	1,400,551	1,448,962	1,510,297	1,512,709

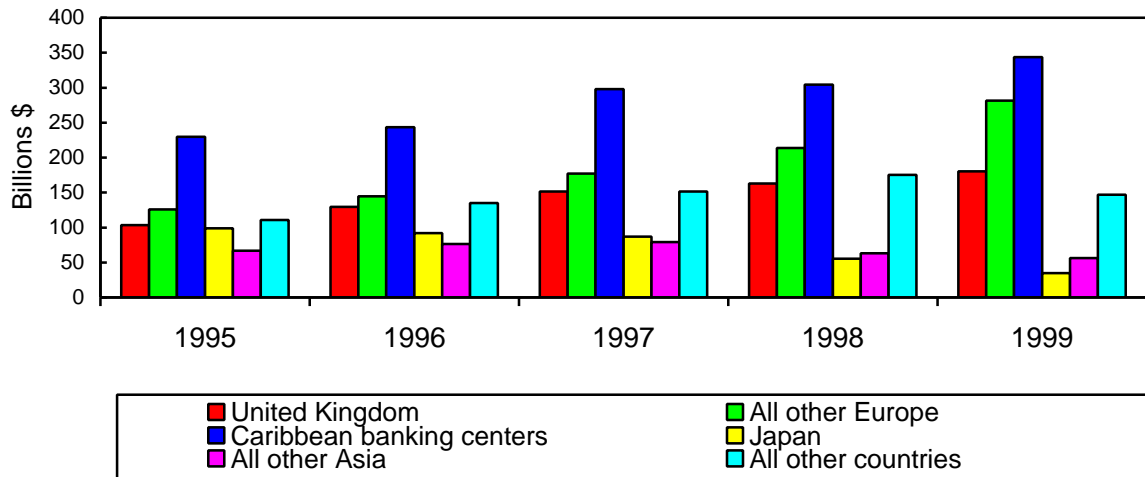
\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama.

U.S. banking liabilities to foreigners, excluding long-term securities, are concentrated in international financial centers. This chart shows that nearly one-half of U.S. banking liabilities is currently reported opposite the United Kingdom and the banking centers in the Caribbean. Foreigners domiciled in the rest of Europe and in Asia hold an additional 40 percent.

U.S. banking liabilities in the mid-1990s went through a growth spurt. The annual growth rate between 1993 and 1997 averaged 10 percent. Growth in 1998 and 1999 slowed to less than 5 percent per year, which is more in line with 1989 through 1992 period.

In the first quarter of 2000, U.S. banking liabilities increased only \$2 billion. Decreases in U.S. banking liabilities opposite Japan (\$14 billion) and the rest of Asia (\$17 billion) were barely offset by increases opposite the Caribbean financial centers (\$14 billion), Europe (\$13 billion), and the rest of the world (\$6 billion).

Chart CM-B -- U.S. Claims on Foreigners Reported by U.S. Banks, Brokers and Dealers with Respect to Selected Countries



[In millions of dollars. Source: Treasury International Capital Reporting System]

Country	1995	1996	1997	1998	1999
United Kingdom.....	103,375	129,301	151,645	162,874	180,179
All other Europe.....	125,939	144,459	176,991	213,888	281,439
Caribbean banking ctrs\1...	229,526	243,575	297,995	304,395	343,786
Japan.....	98,745	92,172	86,759	55,170	34,823
All other Asia.....	66,976	76,413	79,301	63,088	56,165
Subtotal.....	624,561	685,920	792,691	799,415	896,392
All other countries.....	110,811	134,995	151,390	175,356	146,946
Grand total.....	735,372	820,915	944,081	974,771	1,043,338

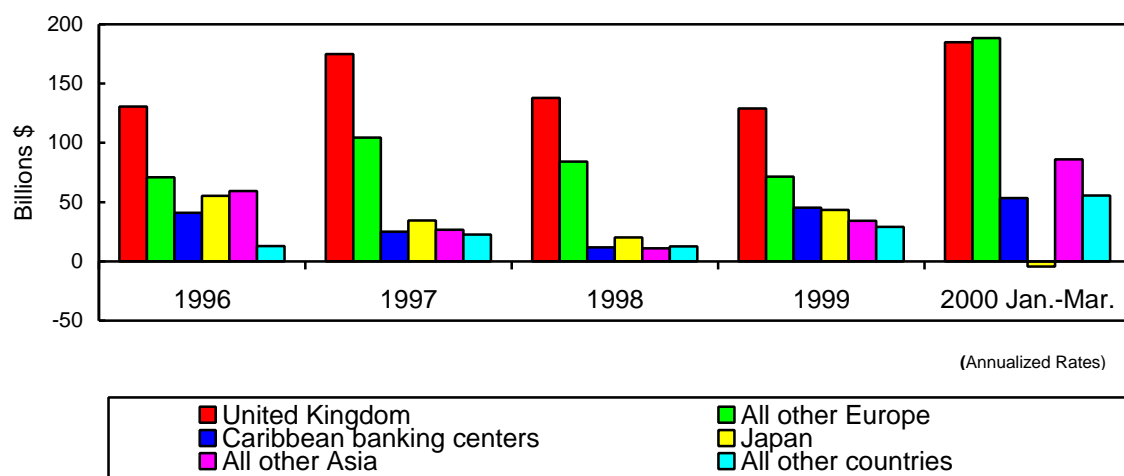
\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama

U.S. banking claims on foreigners, excluding long-term securities, are concentrated in international financial centers. This chart shows that over three-quarters of U.S. claims are currently reported opposite the United Kingdom, the rest of Europe, and, most notably, the banking centers in the Caribbean. Foreigners domiciled in Asia hold less than 10 percent of U.S. claims, down from 20 percent at the end of 1996.

After extremely strong growth in the mid-1990s, total U.S. banking claims on foreigners are leveling off. Annual growth peaked at 15 percent in 1997. In 1998 and the first three quarters of 1999, claims grew at a much slower annual rate of 3 percent. For 1999 as a whole, banking claims increased \$69 billion, or 7 percent, because of strong growth in the fourth quarter.

Claims opposite Asia continued to fall in 1999, and now stand \$75 billion below their end-1997 level. Claims opposite "All other countries" also fell in 1999; Canada represented \$17 billion of the decrease in that group. Claims opposite Europe, notably Switzerland, and the Caribbean financial centers increased during the year.

Chart CM-C -- Net Purchases of Long-Term Domestic Securities by Foreigners, Selected Countries



(In millions of dollars. Source: Treasury International Capital Reporting System)

Country	1996	1997	1998	1999	2000 Jan. - Mar.
United Kingdom.....	130,645	174,918	137,970	129,014	46,222
All other Europe.....	71,073	104,375	84,047	71,492	47,114
Caribbean banking ctrs\1...	41,081	24,999	11,738	45,220	13,321
Japan.....	55,167	34,504	20,261	43,366	(1,109)
All other Asia.....	59,327	26,669	11,050	34,193	21,484
Subtotal.....	357,293	365,465	265,066	323,285	127,032
All other countries.....	12,925	22,514	12,725	28,979	13,897
Grand total.....	370,218	387,979	277,791	352,264	140,929

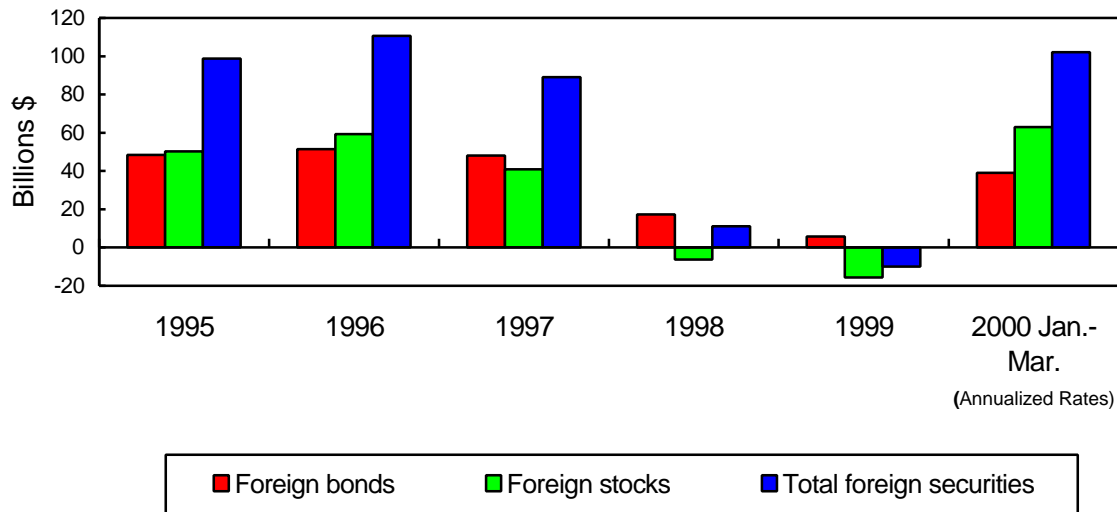
\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama.

As reported by U.S. banks, brokers, and other persons, foreigners' transactions in long-term U.S. securities (i.e., U.S. Treasury and Government agency bonds and notes, and U.S. corporate bonds and stocks) are conducted largely through international financial centers. The table presents aggregate net purchases on an annual basis for 1996 through 1999, as well as activity for the first quarter of 2000. The figures show that foreigners' annual net purchases (gross purchases minus gross sales) of U.S. securities have maintained an extremely high level since 1996.

Annual net foreign purchases of U.S. securities first surpassed \$100 billion in 1993. They reached a record high of \$388 billion in 1997. Since then, annual net purchases have averaged about \$315 billion. Net purchases amounted to \$141 billion in the first quarter of 2000, of which \$93 billion was reported opposite Europe.

Over the past few years, the composition of foreigners' net purchases has changed dramatically. In the mid-1990s, the majority of foreigners' net purchases consisted of U.S. Treasury bonds and notes. Since 1997, however, foreigners increasingly have turned to other long-term securities.

Chart CM-D -- Net Purchases of Long-Term Foreign Securities by
U.S.to Selected Investors*



[In millions of dollars. Source: Office of International Financial Analysis]

Type	1995	1996	1997	1998	1999	2000 (Jan. - Mar.)
Foreign Bonds.....	48,405	51,369	48,144	17,349	5,676	9,774
Foreign Stocks.....	50,291	59,268	40,939	(6,212)	(15,643)	15,760
Total.....	98,696	110,637	89,083	11,137	(9,967)	25,534

* Net purchases by U.S. investors equal net sales by foreigners, or gross sales minus gross purchases of securities.

The data on this page represent U.S. investors' purchases and sales of long-term foreign securities as reported to the Treasury International Capital (TIC) reporting system. However, in the past two years U.S. investors have also acquired a substantial amount of foreign stocks -- mostly European -- through mergers that involve stock swaps. Net acquisitions through stock swaps amounted to \$86 billion in 1998 and \$114 billion in 1999. These stock swaps are not reported under the TIC reporting system.

Taking into account the stock swaps, annual U.S. net purchases of long-term foreign securities have averaged about \$100 billion since the mid-1990s, without much variation from year to year. In 1999, net stock purchases -- including the stock swaps -- totaled about \$95 billion, mostly through Europe and Japan. Net bond purchases totaled \$6 billion, far below the levels of the mid-1990s. In the first quarter of 2000, net purchases of foreign stocks and bonds reported to the TIC reporting system totaled \$26 billion.